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Introduction

The Major Time Shift

Fact # 1

20 years ago, the typical investor looked to hold a stock position for 4 ½ years, on average.

Fact # 2

Today, the typical investor looks to hold a stock position for 4 ½ months.

Pristine Theories

Theory # 1

We believe, the investor's average holding period for any stock will drop to 4 ½ weeks….

inside of 2 years!!

Theory # 2

Long-term Investing, commonly referred to as the "buy-and-hold" approach, is becoming less effective each year!

The Dynamics of Change

What has led to this dramatic change?

I) 25 Year Decline in Commission Rates

II) Worldwide Collapse in Interest Rates

III) Phenomenal Technological Advancements

IV) New Order Handling Rules

V) The Advent of the Internet

VI) A More Sophisticated Public

Fundamental vs. Technical

Fact # 1

20 years ago, fundamental analysis was considered the only proper way to make market decisions

Fact # 2

"Today, the 'purely' fundamental analyst is virtually extinct."

– Mark Douglas, author of

The Disciplined Trader and Trading In The Zone

The Dynamics of the Analytical Shift

What has led to this dramatic shift?

I) Money!

II) Markets are not mathematically logical and/or rational

III) The hopes and fears of people move stocks

IV) Under extreme stress and glee, people react the same way.

V) Charts are the foot prints of these actions and reactions

VI) In other words: **Charts Don't Lie!**

The Building Blocks

Foundation

Types of Trading

Four Styles of Trading: ***Core; Swing; Guerilla; Micro***

Which fall into….

Two Broad Trading Categories: ***Wealth; Income***

Two Broad Trading Categories

Wealth Trading Styles

Core Trading

- Weekly Charts
- Weeks to Months

Swing Trading

- Daily Charts
- Days to Weeks

Income Trading Styles

Guerilla Trading™

- 60 Min & 30 Min
- Hours to Days

Micro Trading

- 5 Min & 15-Min
- Minutes to Hours

The Pristine Philosophy

Pristine Tip:

The Pristine Trading Philosophy calls for a trader to have 1) a *Wealth* Building trade and 2) an *Income* Producing trade on….

At All Times!

Core Trading Defined

What is Core Trading?

1) A style of market play that typically covers a holding period of **several weeks to several months**.

2) There are two forms of Core Trading: **Macro; Micro**

3) This style of trading has become the **new form of investing**.

4) The Core Trader uses **weekly charts** to make entries and exits.

5) Core Trading is best used on **key stocks** and **indices**.

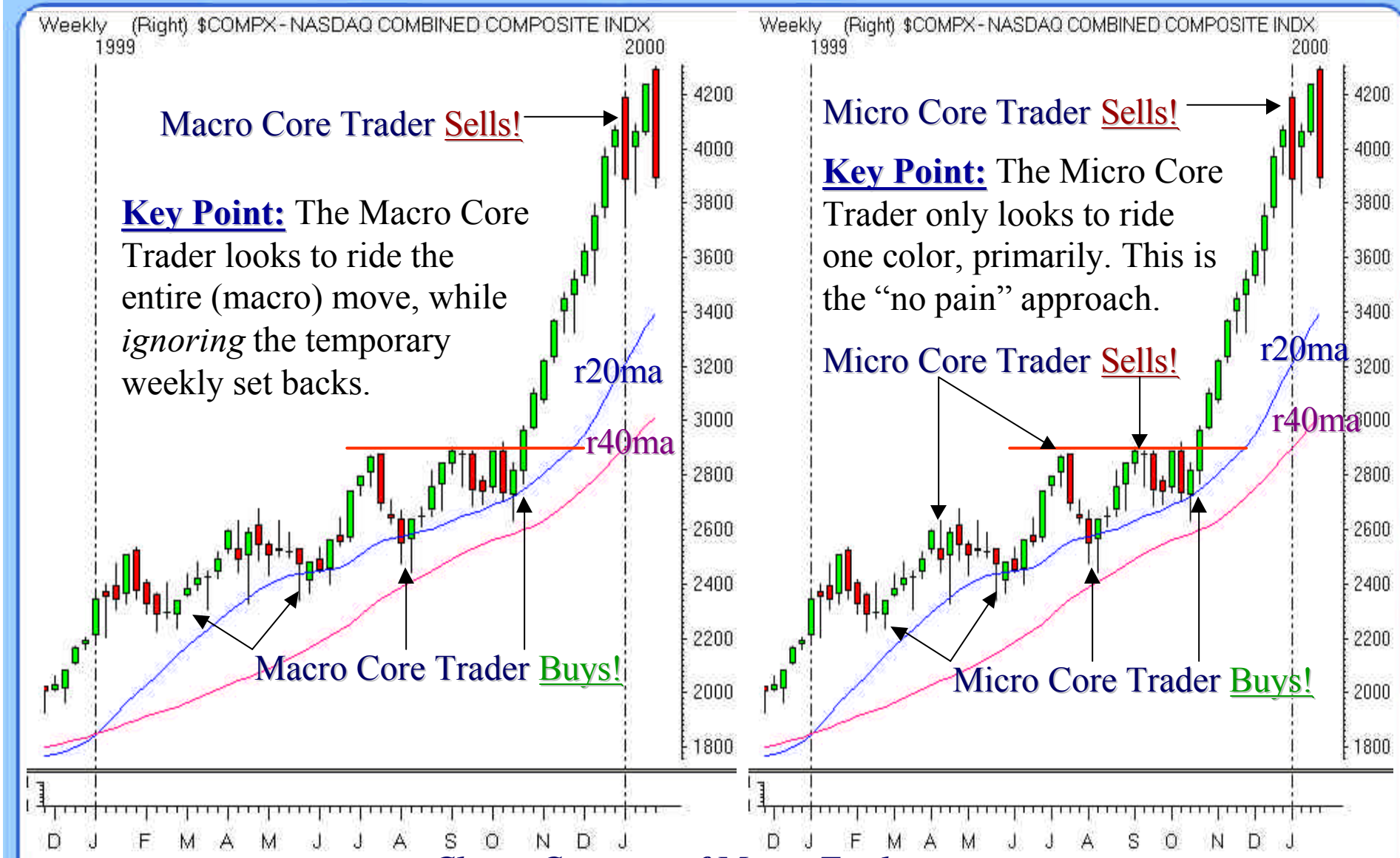
6) Core Trading is the key to capturing **substantially bigger gains** than the swing and/or day trader is accustomed to.

7) Core Trading is style of trading that **can be practiced by ALL**!!

Core Trading vs. Investing

Chart Courtesy of MasterTrader.com

Macro vs. Micro Core Trading



Charts Courtesy of MasterTrader.com

Core Trading Chart (QQQ)

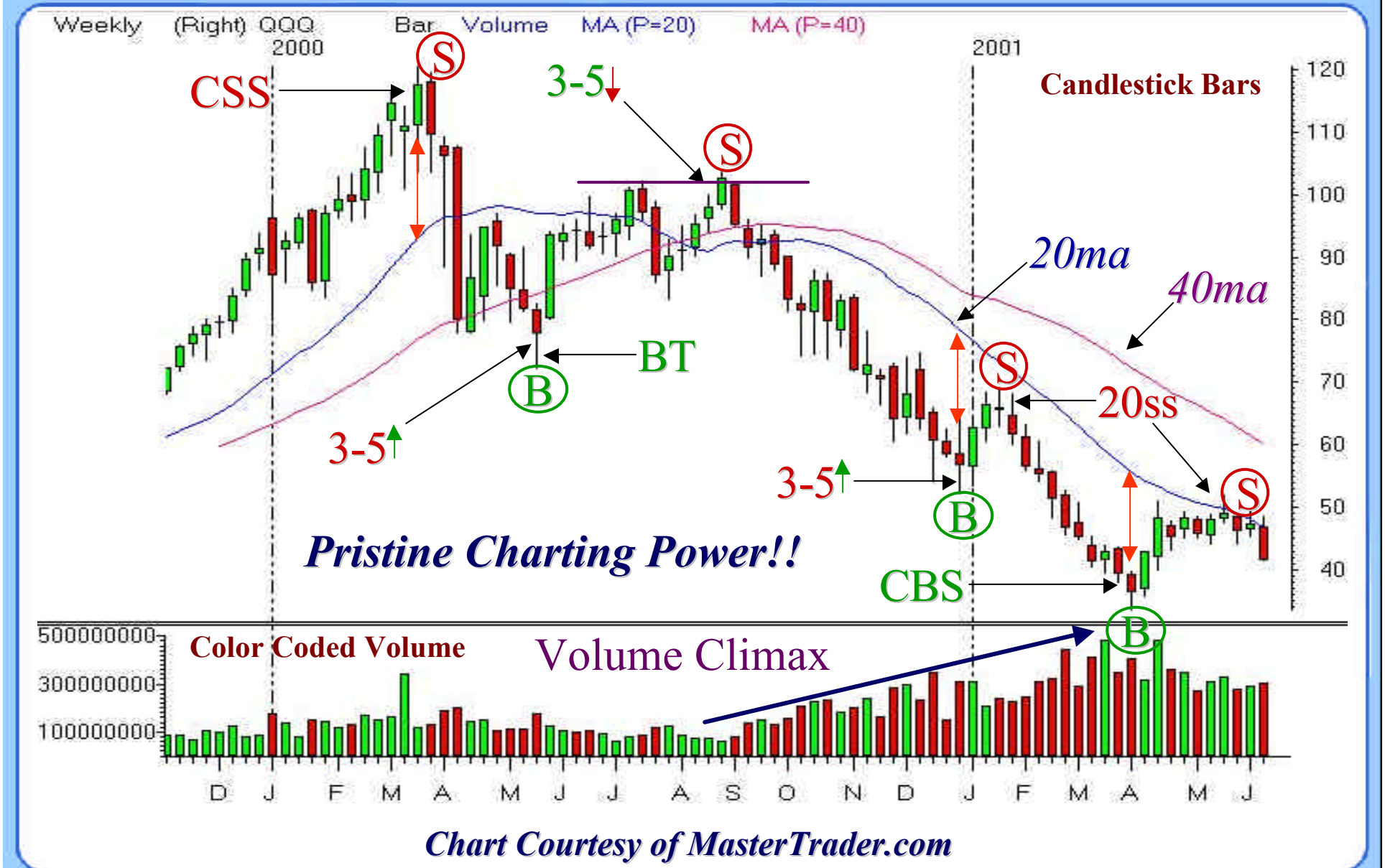


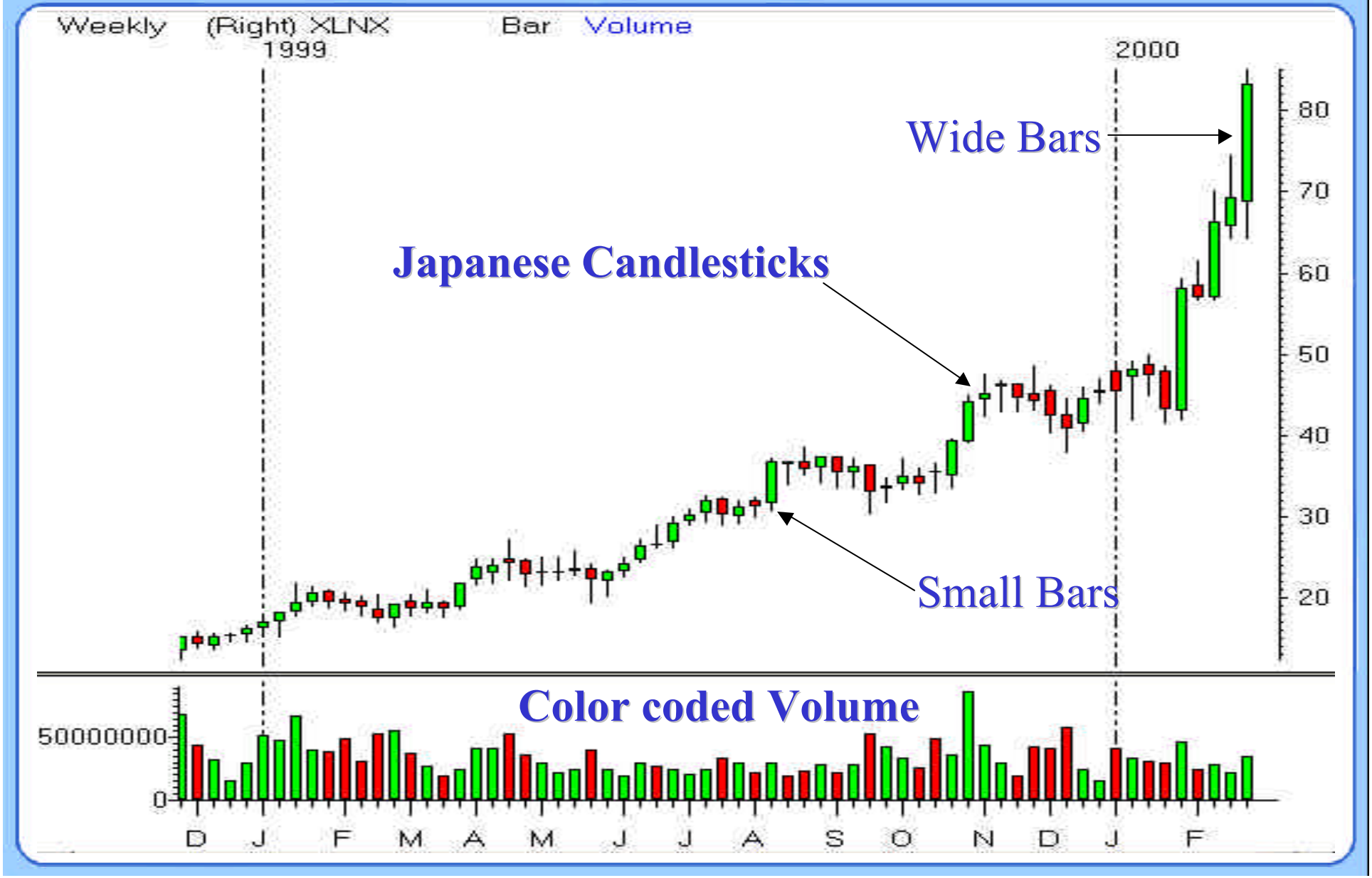
Chart Courtesy of MasterTrader.com

Tools of the Core Trade

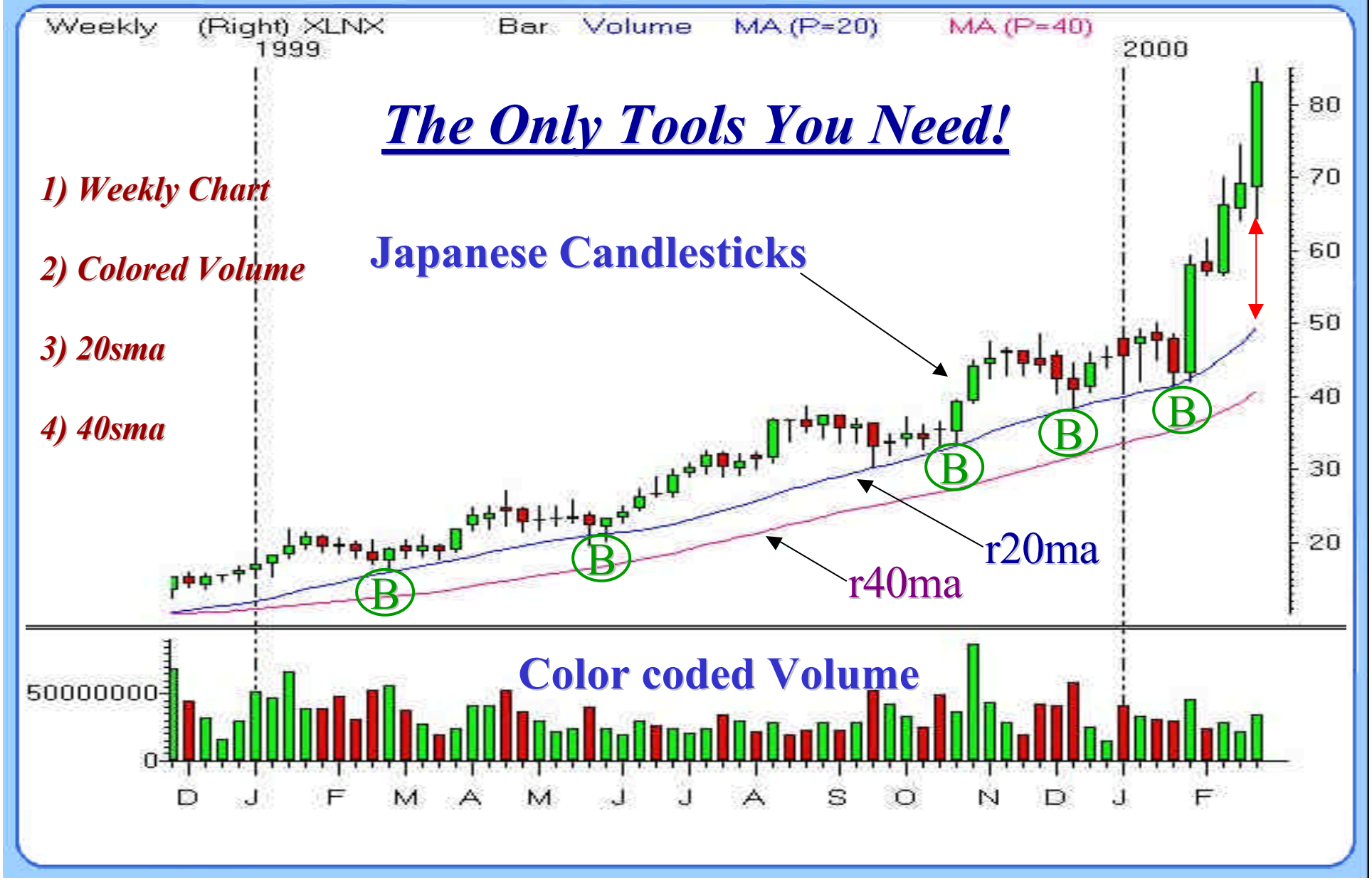
Charting Tools: *Weekly charts displayed in Japanese Candlestick form.*

Technical Tools: *Color coded volume; 20 & 40 period 'simple' moving averages.*

Weekly Chart with Volume

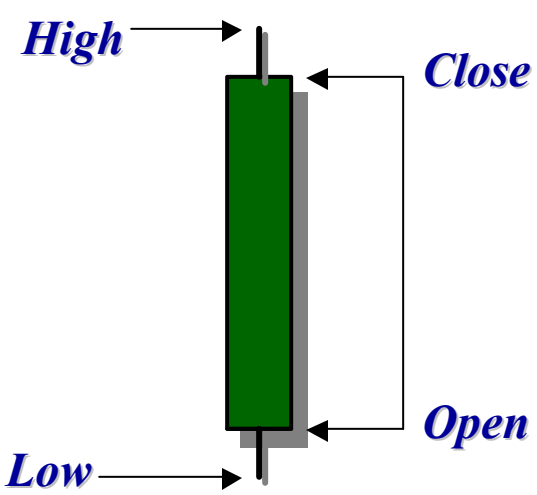


Core Trading Tools

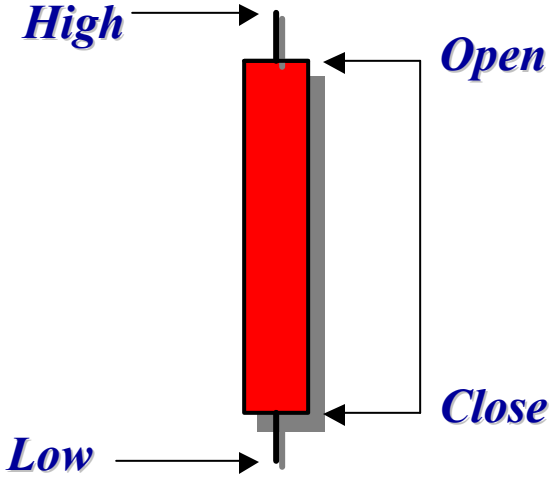


The Weekly Battle

Determining Who Won The Battle



Bulls Win



Bears Win

An Important Statistical Fact

Pristine Tip:

Bulls and Bears cannot consistently win more than 5 battles in a row. Each side typically surrenders to the other after 3 to 5 battles won.

However…

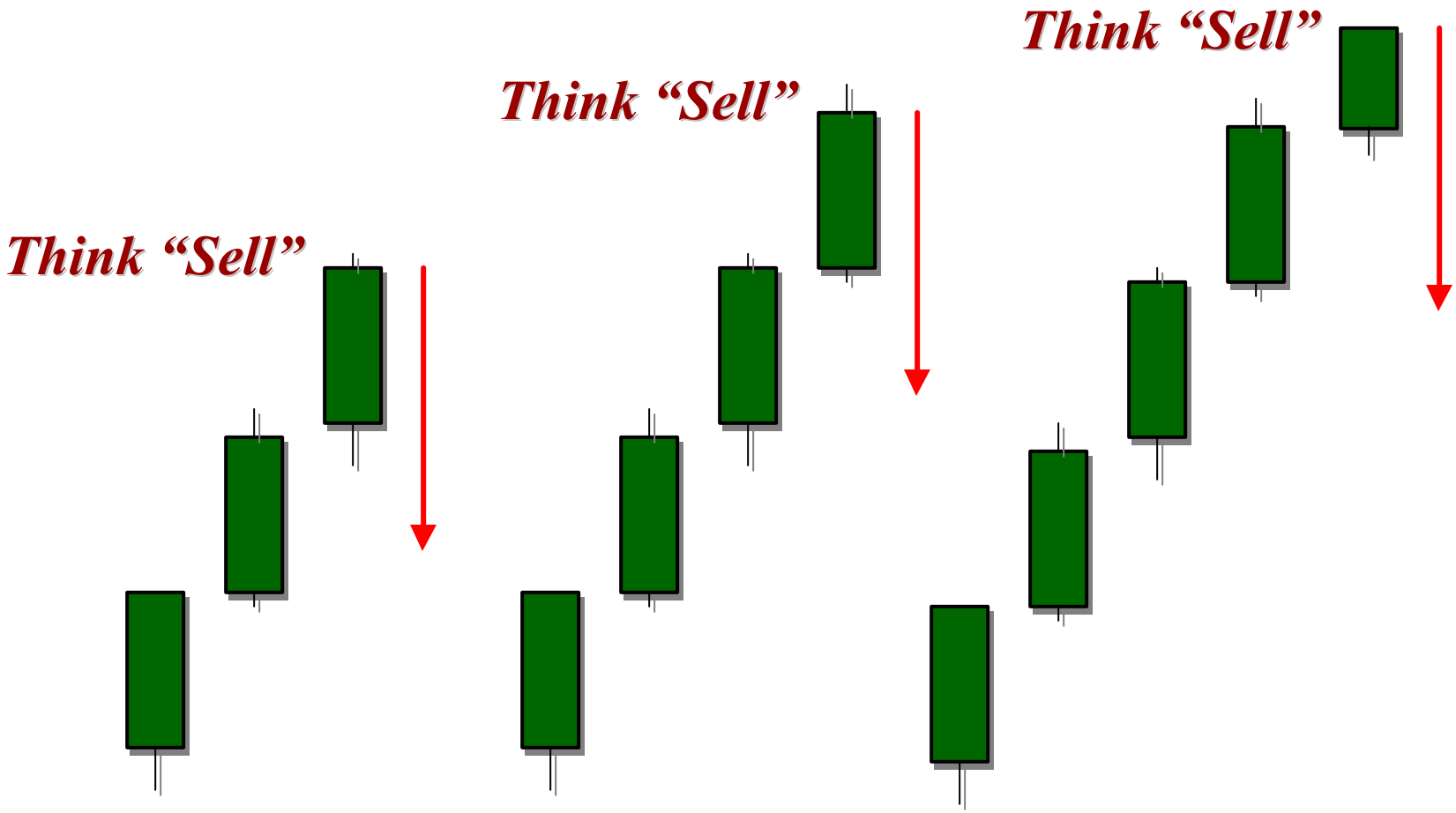
If the Bulls or Bears win significantly more than 5 battles in a row, *a catastrophic loss will be the price* paid for such an abnormal winning streak.

3 Key Pristine Events

The Key Events

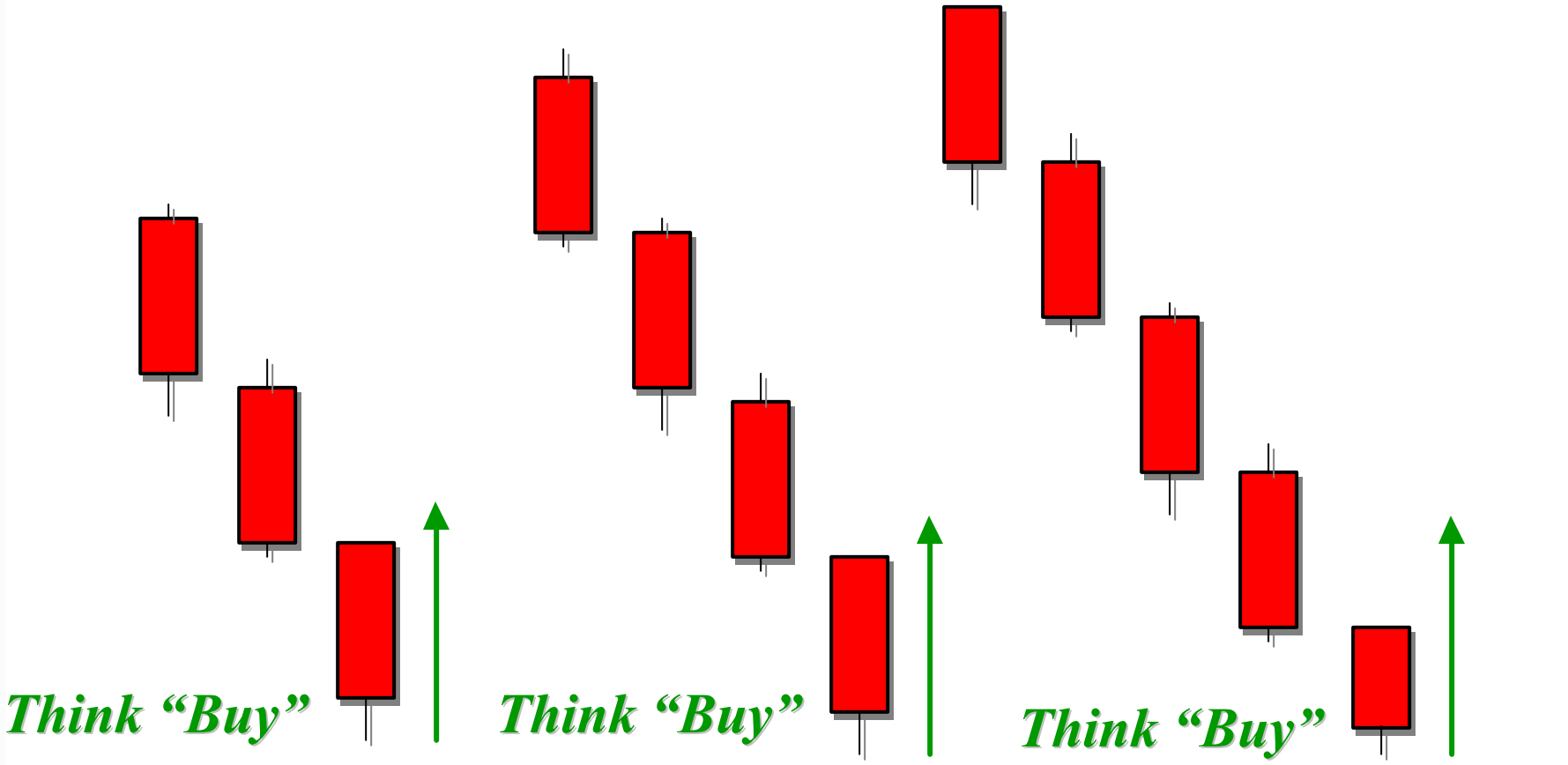
3 to 5 Bar Rallies

3 Pictures of Greed



3 to 5 Bar Declines

3 Pictures of Pain



Count Your Way to Profits

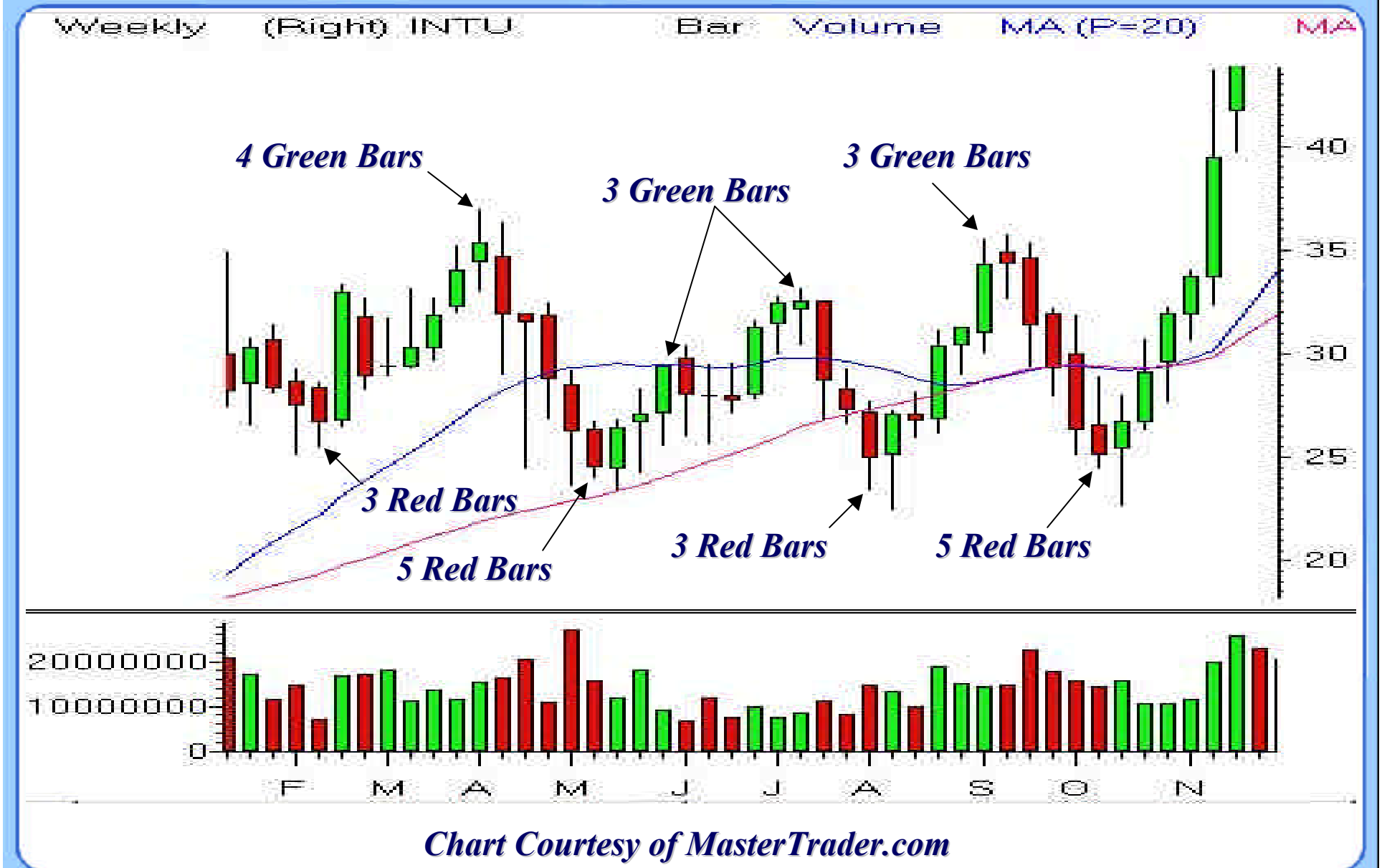


Chart Courtesy of MasterTrader.com

Count Your Way to Profits

Chart Courtesy of MasterTrader.com

Bull & Bear Tails

Bottoming & Topping Tails

3 or more green bars

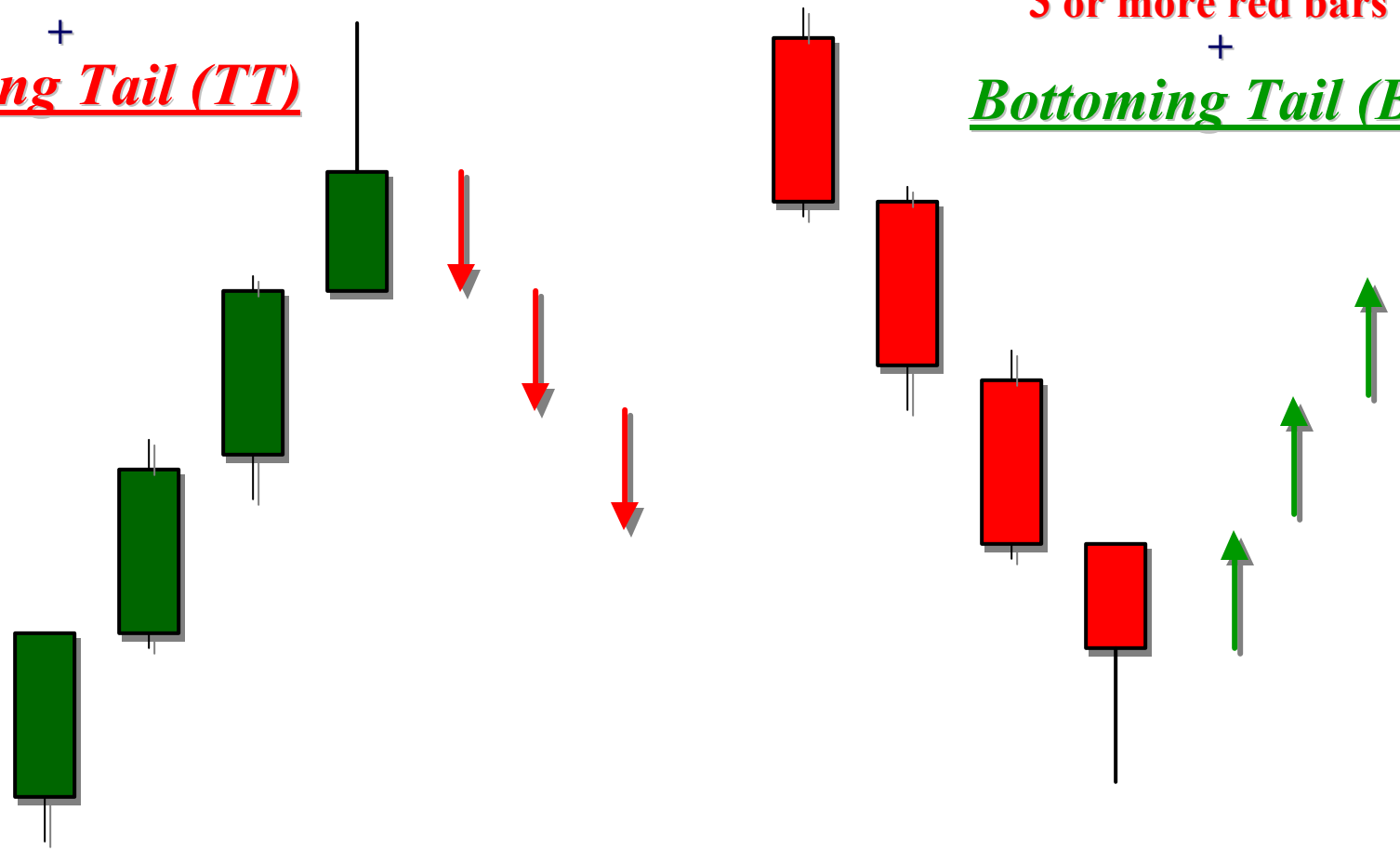
+

Topping Tail (TT)

3 or more red bars

+

Bottoming Tail (BT)



Topping Tail Play I

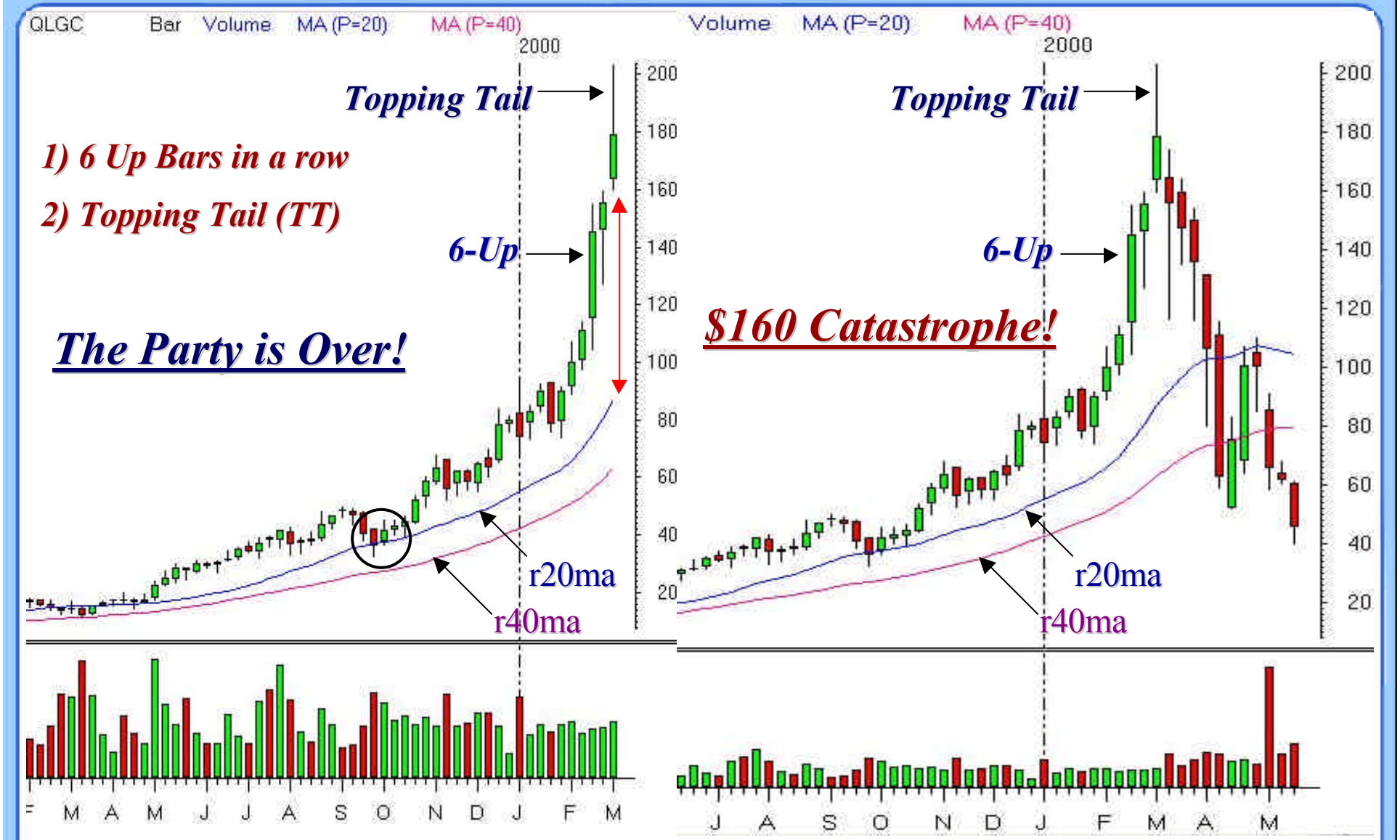


Chart Courtesy of MasterTrader.com

Bottoming Tail I

Bull & Bear COG

Changing of the Guard (COG)

3 or more green bars

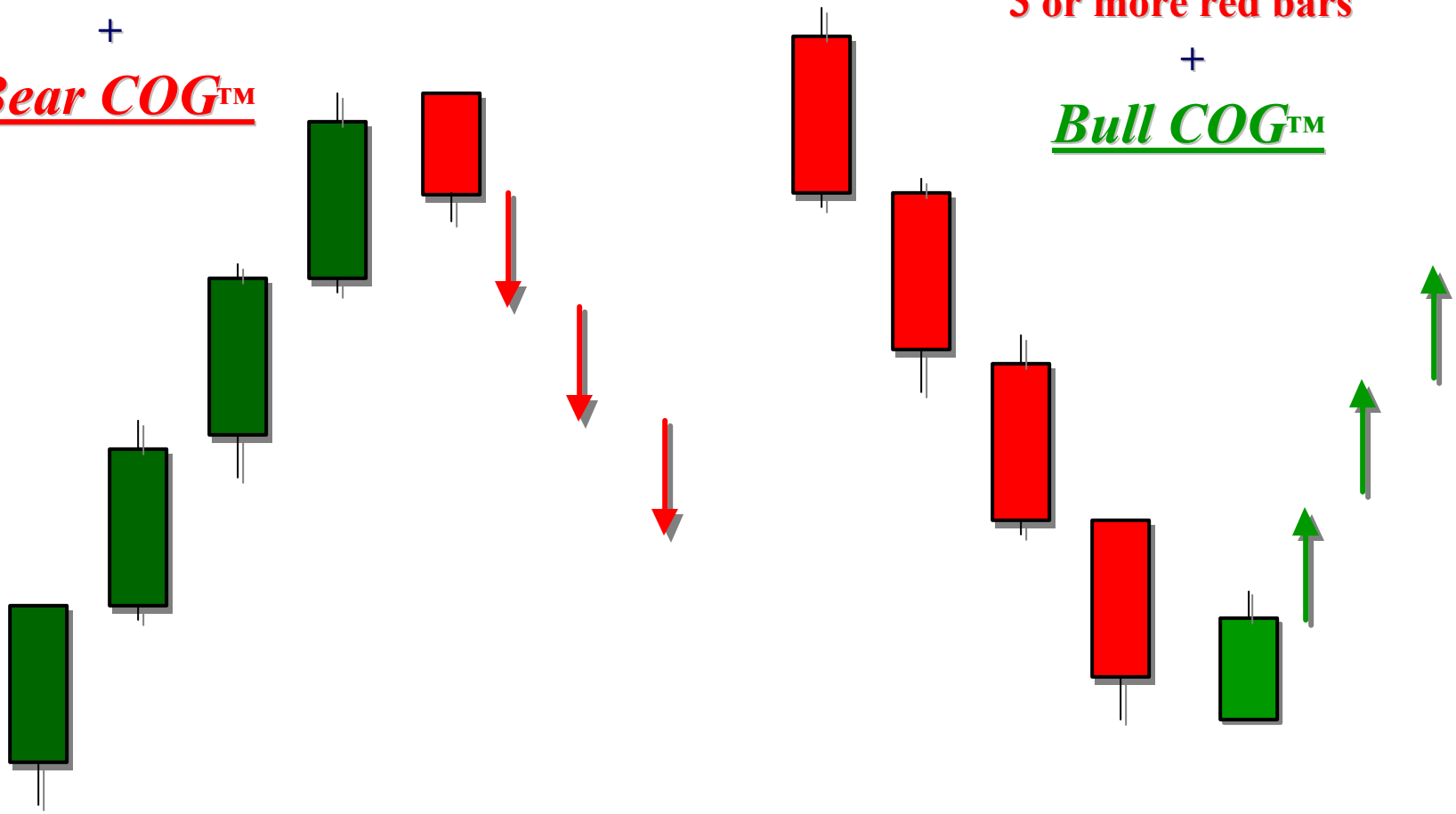
+

Bear COG™

3 or more red bars

+

Bull COG™



Bear Changing of the Guard™

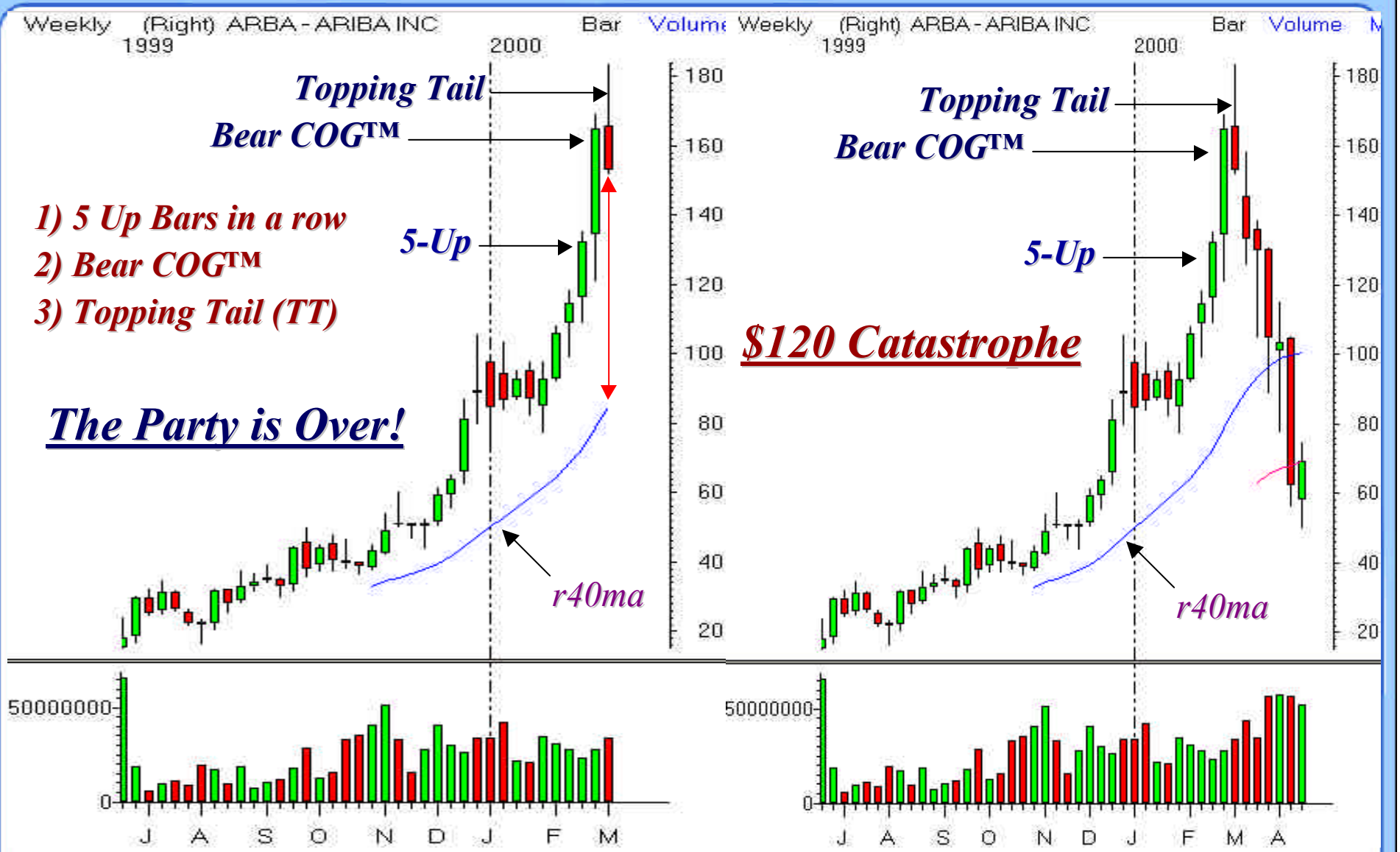


Chart Courtesy of MasterTrader.com

Changing of the Guard™ Plays

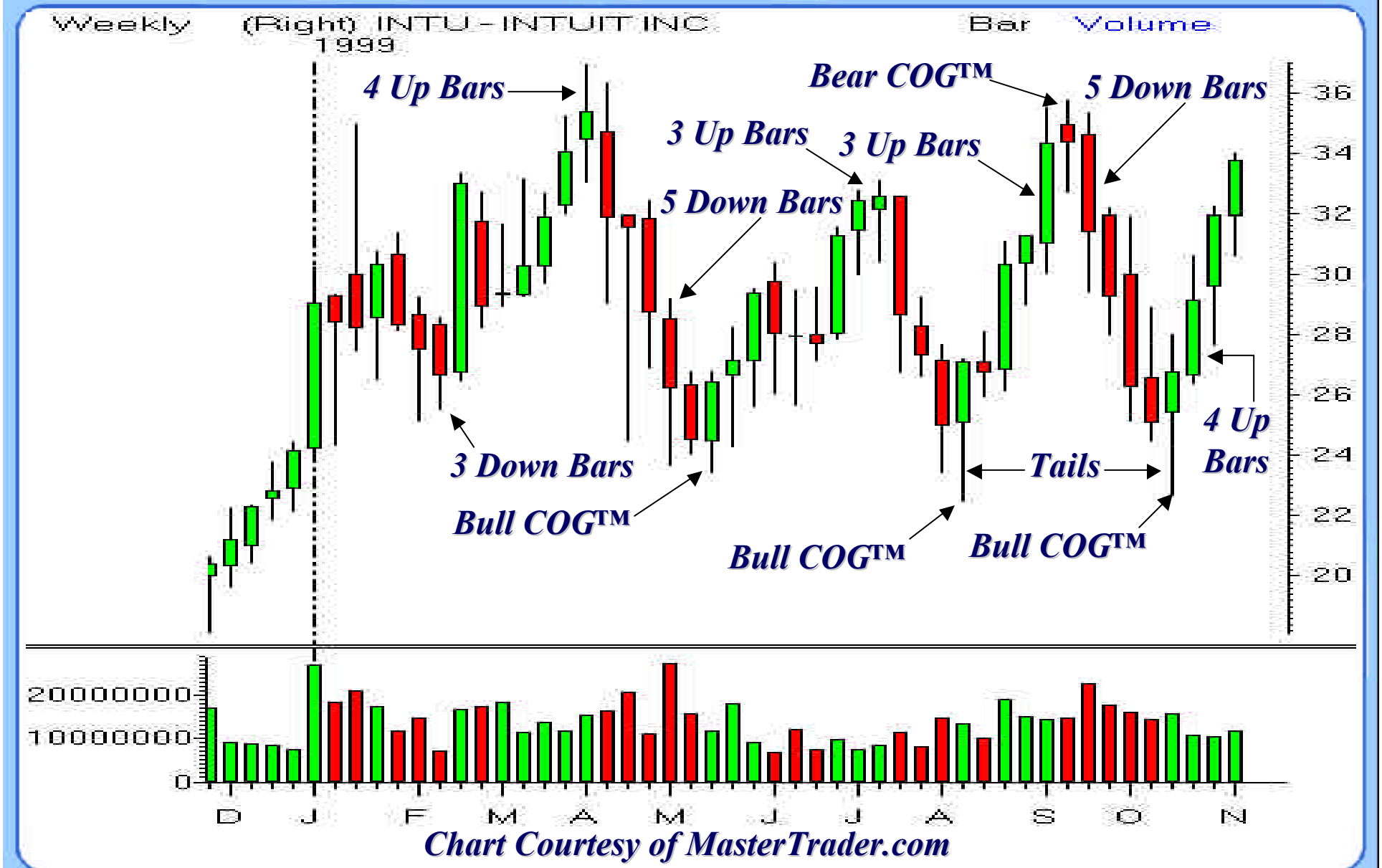
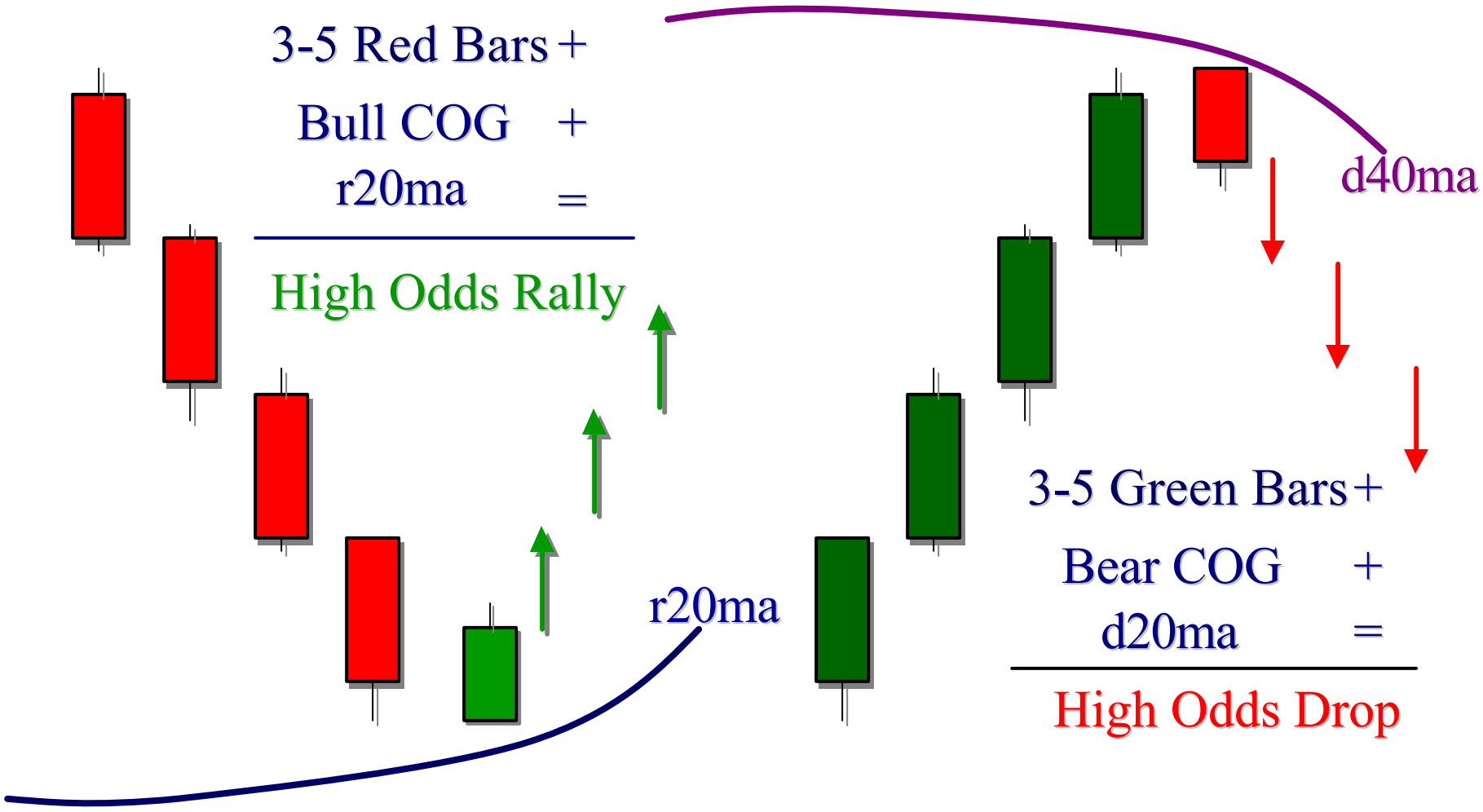


Chart Courtesy of MasterTrader.com

The Strategies

Mighty 20ma Plays

The Powerful 20ma Play



20 MA Play I

Chart Courtesy of MasterTrader.com

20 MA Play II

Chart Courtesy of MasterTrader.com

20 MA Play III

Chart Courtesy of MasterTrader.com

20 MA Play IV

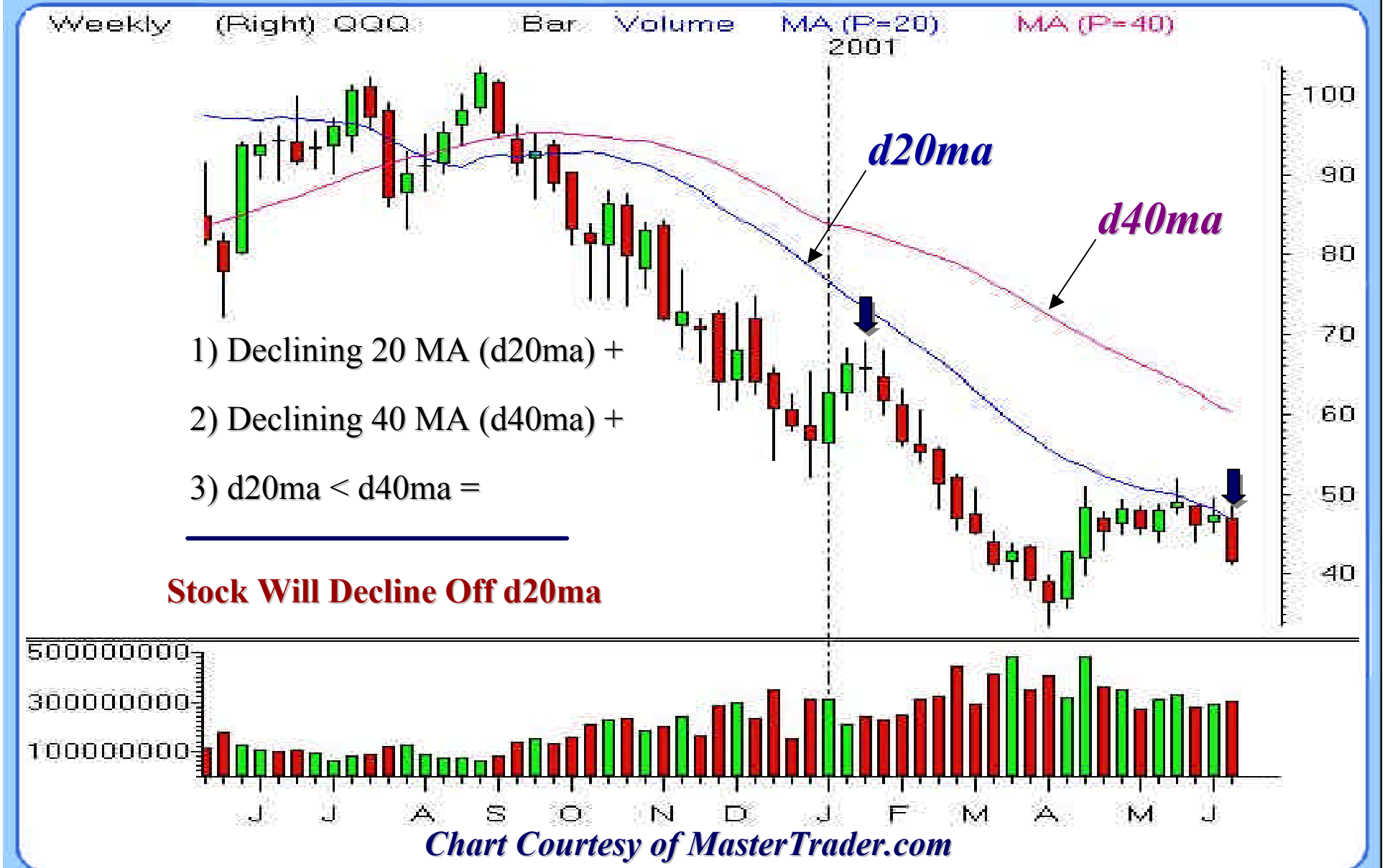
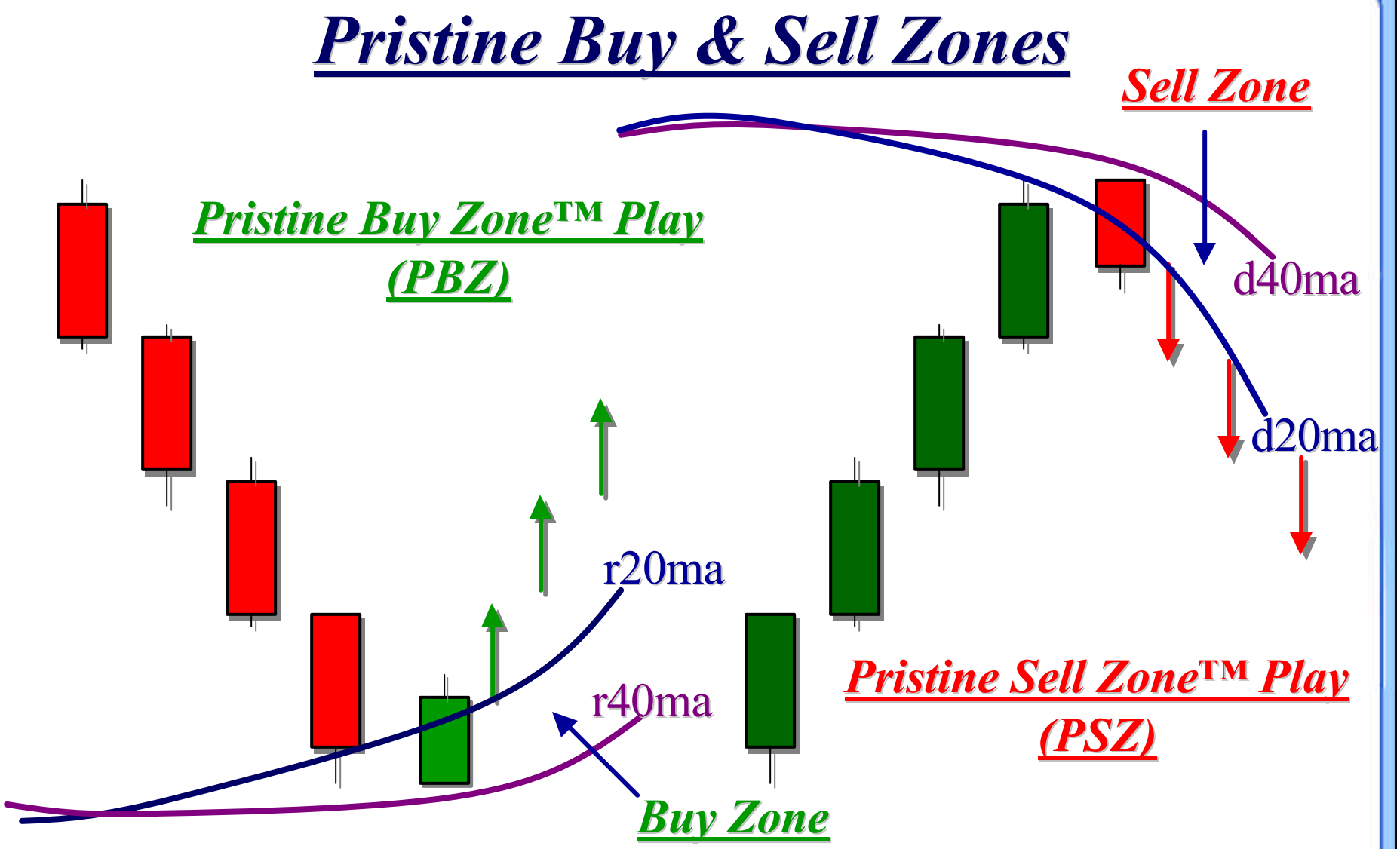


Chart Courtesy of MasterTrader.com

Pristine Buy & Sell Zones™



Pristine Buy Zone™ Play I

Chart Courtesy of MasterTrader.com

Pristine Buy Zone™ Play II

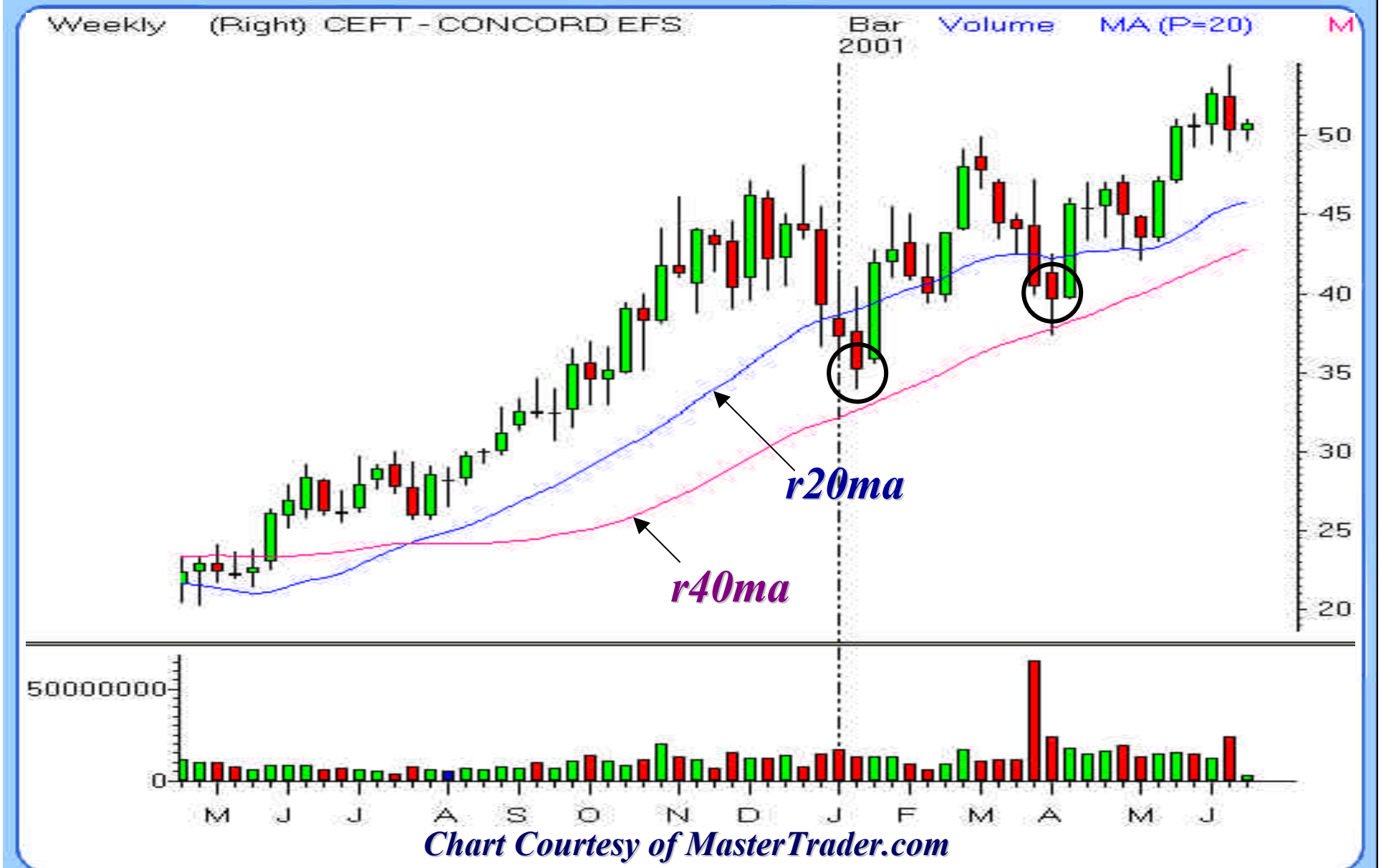


Chart Courtesy of MasterTrader.com

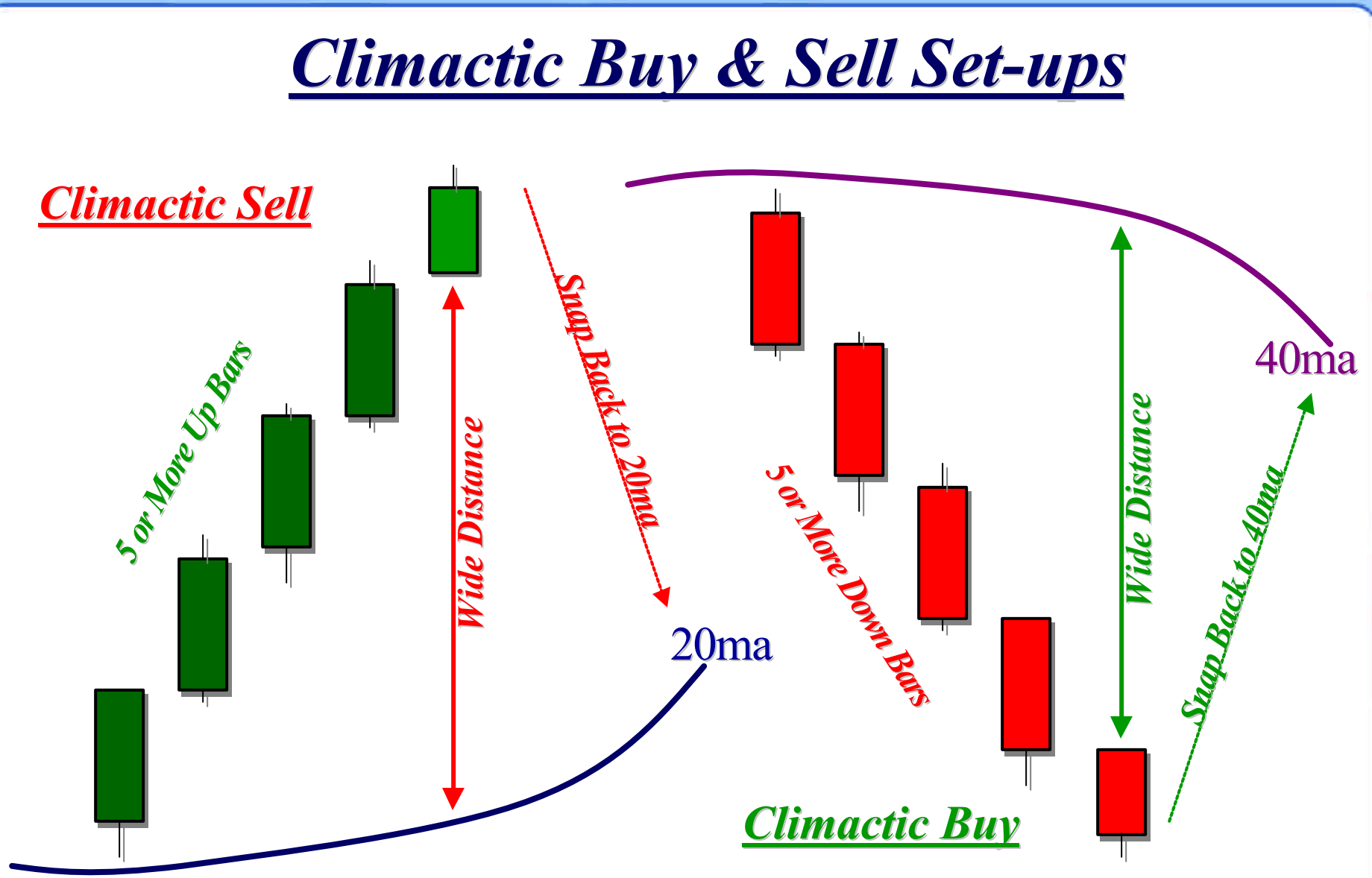
Pristine Sell Zone™ Play I

Chart Courtesy of MasterTrader.com

Pristine Sell Zone™ Play II

Chart Courtesy of MasterTrader.com

Climactic Buy & Sell Set-up



Climactic Sell Set-up I

Chart Courtesy of MasterTrader.com

Climactic Sell Set-up II

Chart Courtesy of MasterTrader.com

Climactic Sell Set-up III

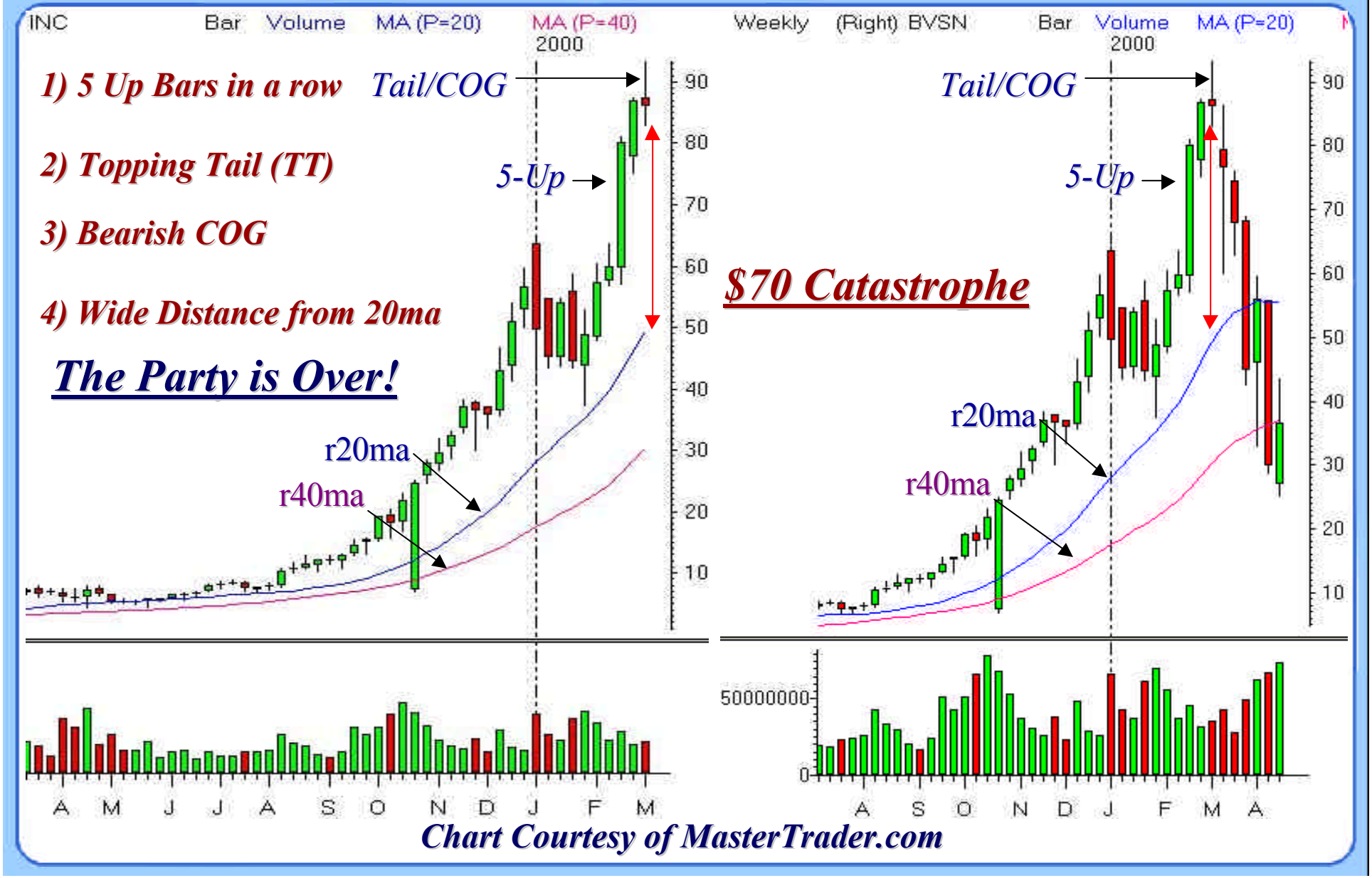


Chart Courtesy of MasterTrader.com

Climactic Buy Set-up I

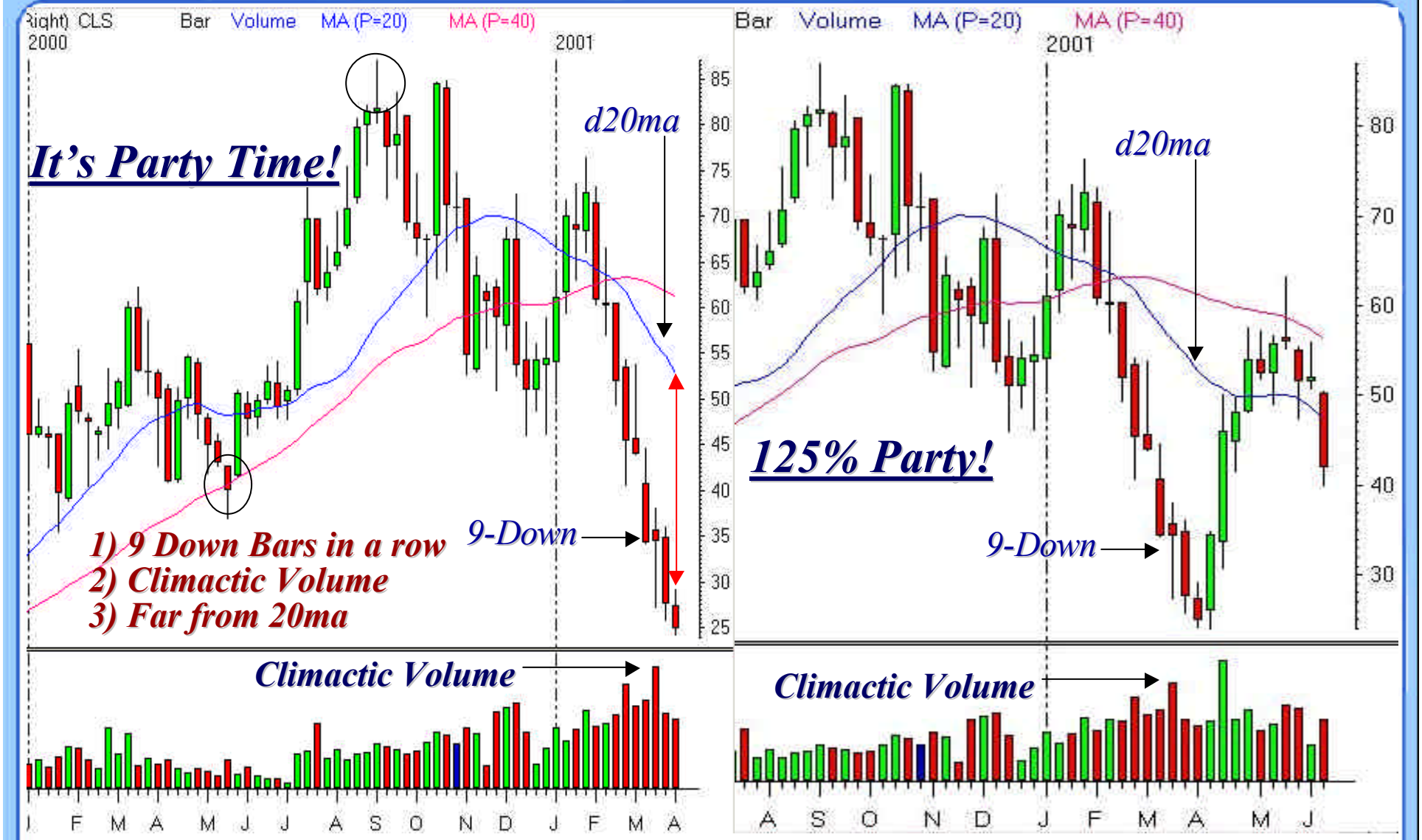
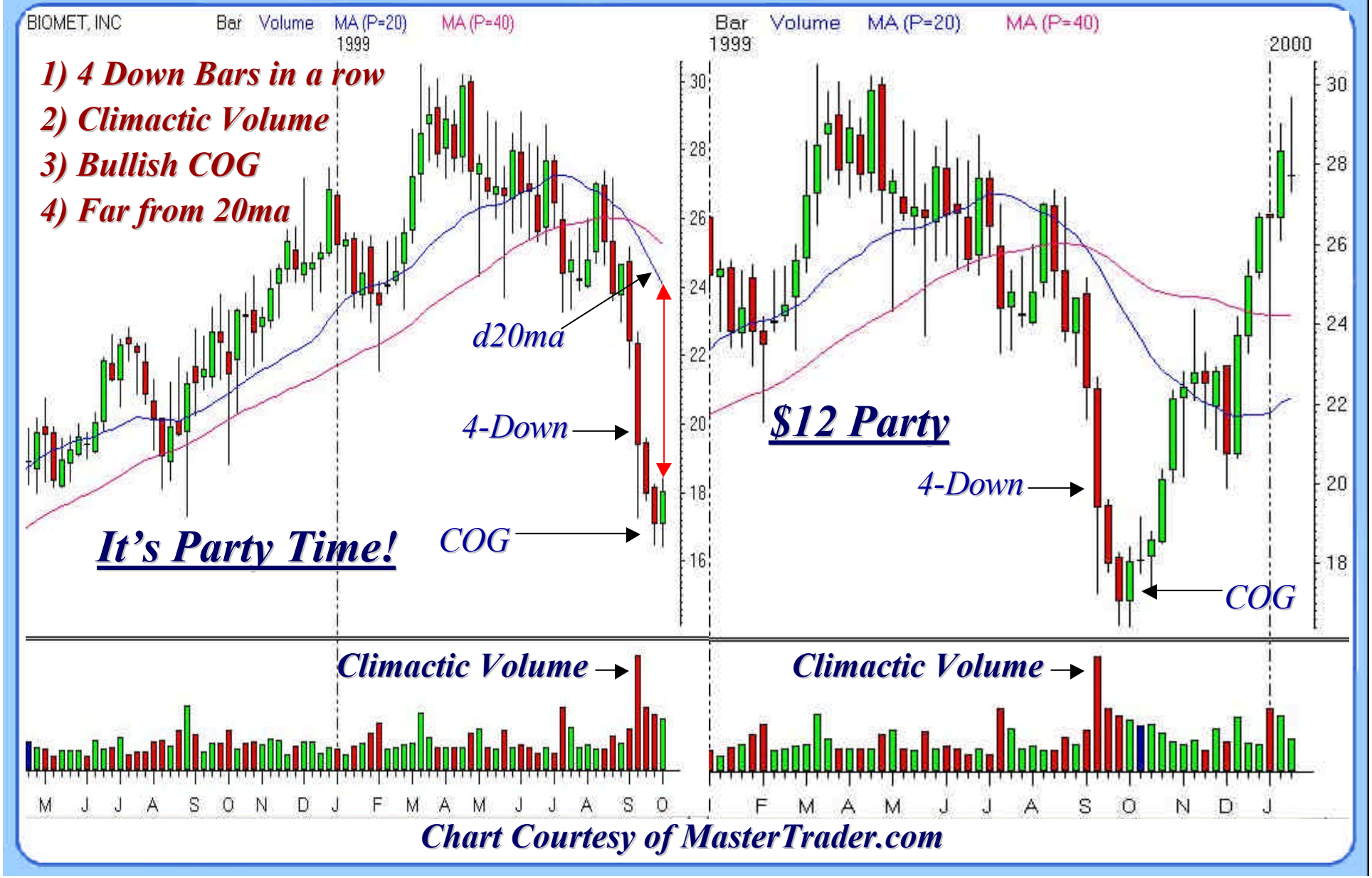


Chart Courtesy of MasterTrader.com

Climactic Buy Set-up II

Chart Courtesy of MasterTrader.com

Climactic Buy Set-up III



Core Trading Summary

Core Trading Combinations

3 to 5 Bar Buy/Sell Set-ups

Can happen with:

1) Topping/Bottoming Tails

and/or

2) Bull/Bear COG Set-ups

Powerful Core Trading Combinations

These Combinations can happen:

1) At or Near the 20ma

or

2) In the Buy/Sell Zones

or

3) Far from the 20ma

Location